

Research on the Existing Problems and Countermeasures of Live E-Commerce Economy in China

Lu Wang*

Accounting Institute, Guangzhou College of Commerce, Guangzhou, Guangdong, China

**Corresponding author*

Keywords: Internet, live streaming, e-commerce, economy, countermeasures

Abstract: In the age of Internet information, "live with goods" as a new type of retail, effectively integrating the e-commerce economy and traditional industries, is of great significance to help economic and social development and industrial innovation. In particular, during the new pneumonia epidemic, the live broadcast economy has become a new economic form derived from technological breakthroughs, and the operation of the "live broadcast + e-commerce" model can not only maximize the profitability of products, but also bring considerable economic benefits to e-commerce enterprises, thus promoting the development of China's economy. Based on this, this paper firstly introduces the development and current situation of live economy, and then analyzes the existing problems and puts forward several effective strategies to promote the good development of live web marketing.

1. Introduction

In the Internet information era, Internet information technology has fully penetrated into people's lives and production, not only improving the efficiency of people's production operations, but also changing their life entertainment and consumption patterns. Especially in the post-epidemic era, the physical business is sluggish, "live broadcast + e-commerce" this new sales model emerged. In the live shopping payment has become a trend, many business owners, stars, hosts and Internet celebrities have also joined them. As long as you have a cell phone, even if you are a vegetarian who has not been trained in anything, you can create your own miracle of bringing goods. "Everything can be live broadcast, everyone can bring goods". By live carrying goods not only solves the backlog of enterprise inventory and people's consumption needs, but also promotes the development of e-commerce enterprises, thus leading to the improvement of the national economy. With the help of the form of live with goods not only breaks the restrictions of time, space and location, but also expands the consumer base and stimulates them to consume [1]. However, due to the rapid development of this model, many problems have emerged in it, and if these problems are not solved, there will certainly be some impact on the improvement of the social and economic level. For this newly emerged business economic model, this paper makes a relevant investigation, around the development of "live broadcast + e-commerce" model and the existence of problems to analyze, and finally put forward a few effective strategies to promote the good development of live web marketing.

2. Live E-Commerce Industry Development Status

In recent years, live streaming has become an indispensable part of people's life and entertainment, which not only meets different entertainment needs, but also allows more personalized customized platforms to appear in people's vision. Since 2018, China's e-commerce live streaming industry has developed rapidly. In 2019, the strong traffic and cash ability of Viya, Li Jiaqi and other Kols further catalyzed the rapid development of e-commerce live streaming. Major e-commerce platforms have launched live streaming functions, and live streaming platforms have accelerated the launch of e-commerce sectors. Live streaming of e-commerce is becoming a normal situation.

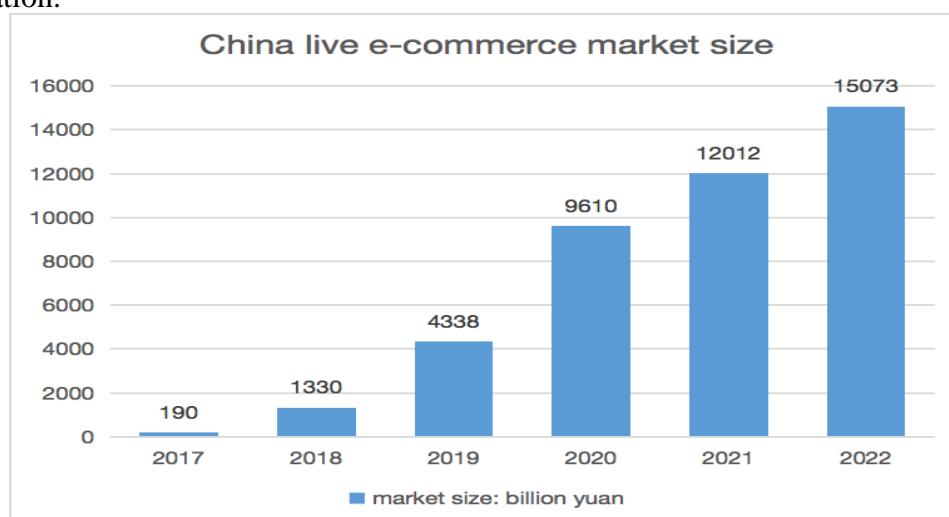


Figure 1: 2017-2022 China live e-commerce market size

As shown in Figure 1, the market size of China's live e-commerce market expanded continuously from 2017-2021, in a long-term upward trend, with the fastest growth rate in 2017-2019, reaching 600.0% and 226.2%, respectively. The occurrence of the epidemic in 2020 was like a catalyst, which once again stimulated the e-commerce the vitality of the direct broadcasting industry, the market size grew 121% compared to the previous year, reaching 961 billion yuan. China Business Industry Research Institute expects the market size of China's e-commerce live broadcast to further rise to 150.73 billion yuan in 2022.

Among the many live e-commerce platforms, "Quick hand", "Taobao" and "Tik Tok" are the three platforms most favored by consumers, among which "Jitterbug" has become the first choice of many young people for live online shopping, accounting for 42% of the total merchandise turnover of major e-commerce platforms in 2020. "Became the first choice of many young people online live shopping, in 2020 China's major e-commerce live platform merchandise turnover accounted for up to 42%. 2021 China live data show that the user's daily live viewing time spent mainly concentrated in half an hour or less, the monthly online consumption level is mostly between 200 ~ 1000 yuan. The cumulative number of live broadcasts on key monitoring e-commerce platforms exceeds 24 million, the cumulative number of viewers exceeds 120 billion, the number of live goods exceeds 50 million, and the number of active anchors exceeds 550,000. It can be seen that the live e-commerce model is popular with the majority of consumers and has greater potential in the future market development.

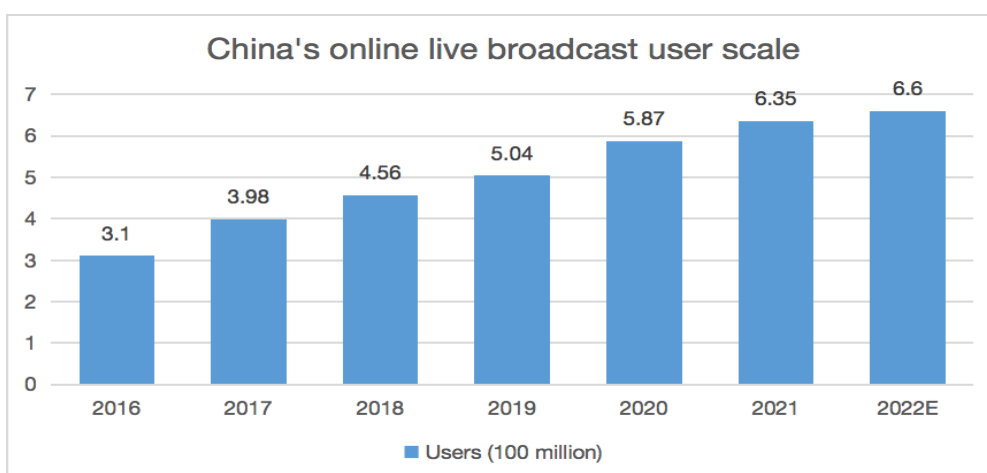


Figure 2: 2016-2022 China's online live broadcast user scale

As shown in Figure 2, according to the monitoring data of the Ministry of Commerce, in 2020 as a new industry new mode in the business sector, in recent years, domestic live e-commerce has shown rapid development. The scale of Chinese online live users has maintained a continuous growth trend, with the scale of Chinese online live users reaching 5.87 million in 2020 and expected to reach 6.60 million in 2022. Analysis believes that the penetration rate of live streaming continues to deepen as the content expression form of live streaming is gradually accepted by more people. On the other hand, the emergence of more content forms will also help attract a wider user base for the online live streaming industry.

3. Advantages of Live Streaming E-Commerce Industry

3.1. Low Threshold, High Income

"Live streaming" has the significant characteristics of low threshold and high income. Because there is no time, space, subject, occupation, age and other restrictions, thus making its participation subject has a great breadth. As long as you have the basic equipment such as network and network terminal, everyone can participate in the "live goods", and you can become both the anchor person and the consumer. A cell phone or a computer can make anyone become a "live with goods" practitioner. Generally speaking, the anchor, especially the star anchor, as long as the explanation and promotion of the goods are in place, it can achieve great product sales and high economic returns in a short period of time. This is a significant feature that makes it different from the traditional economic model, and is one of the important reasons why it has become the most popular sales model nowadays.

3.2. High Interactivity

Traditional e-commerce often show products with the help of text, pictures or recorded videos, for example, in Taobao and other shopping platforms users can consult the goods through online customer service, but the transmission of information is affected by the absence of both parties online, the delay is high, and the communication between users can only be carried out through the purchase comment area. In the live mode, direct communication, communication and interaction between anchors and consumers can be realized. Consumers can consult with anchors at any time on the live site about various issues such as the composition and quality of products, and the display of products is more three-dimensional, and users can fully understand the products through the

anchors' try-on, trial and language, etc. This vivid and direct interaction greatly enhances the promotional power, attractiveness and purchasing power of the products. For example, beauty anchor Li Jiaqi will try lipstick for users in the live broadcast, and some dressing anchors will teach the best way to wear and show the effect for users in the live broadcast, this mode of product sales can bring more intuitive feeling for users, and also highlight the intuitiveness of product display [2].

4. The Practical Significance of Live E-Commerce Industry

4.1. Unleashing Consumption Potential

During the epidemic, people's range of activities was greatly reduced, and the immediate needs of people's daily lives were met with great restrictions, and people's shopping levels dropped dramatically. It can be said that the e-commerce live broadcast has developed rapidly on the basis of people's huge consumption needs and desires. The business model of e-commerce live broadcast reconstructs the three elements of "people, goods and field". Based on the unique social attributes of live e-commerce, face-to-face interaction can effectively establish the trust mechanism between users and anchors, based on the sharing or recommendation of anchors, can directly stimulate user consumption, while the live broadcast can directly present the details of the goods, build different scenarios to bring users a full-scene experience. In the supply of goods to achieve a direct connection with manufacturers, compress the intermediate channels, to achieve a seamless "production - sales - consumption", reduce the "information asymmetry", to benefit Consumers, stimulate consumers to buy and further stimulate consumption potential. The wide range of products sold on the webcast can also well meet the diversified consumption needs of the majority of consumers. In addition, coupled with the participation and passionate interaction of celebrities and other public figures, it greatly stimulates people's consumption desire, passion and potential, so that people's consumption power has been unprecedented play and display [3].

4.2. Bring Industrial Upgrading

Live broadcast of e-commerce can optimize the ecology of e-commerce, significantly reduce the cost of small and medium-sized enterprises to enter the market, while live broadcast into the enterprise, can allow consumers to directly see and understand the production process of goods, or the origin of the product environment, etc., from offline to online, to further stimulate the digital transformation of traditional enterprises, drive industrial upgrading. For example, you broadcast and travel broadcast cooperation, trace the origin, open a new mode of sharing live broadcast, in-depth to Hainan Sanya, Fujian Xiamen, Yangzhou Gaoyou and other places, open the origin of excavation, discovery of good things sharing live broadcast, for consumers to fully present the source of good things and production, manufacturing process, to create a stunning, differentiated one-stop product experience, enhance industrial upgrading, empowering the local agricultural industry sustainable income growth.

4.3. Expanding Employment Opportunities

"After five years of development, the "live streaming with goods" has increasingly become a relatively mature business model. Especially during this year's epidemic, "live with goods" has driven the development of the express industry, anchor industry and other related industries while developing rapidly. "Live with goods" also break through the boundaries of the city gradually to the countryside, many local farmers have participated in the marketing of local characteristics of agricultural products, which undoubtedly created new employment opportunities and jobs for more

and more farmers. In addition, due to this low-cost, low-threshold, high-yield new economic model, many college students have also joined the "live with goods economy", which to a certain extent both increased the employment channels of college students, alleviating the difficult employment situation. In addition to the traditional e-commerce platform, mature brand enterprises also began to layout to accelerate into the field of live e-commerce, and thus the industry is increasing the scale of resources, manpower, product investment in live e-commerce. Around the employment chain dispersed by live e-commerce, is moving towards a high degree of professionalism and specialization, has formed a large, stable, orderly and complex employment system, generated such as live operations, selection division and other five categories of more than 20 kinds of job opportunities, to provide new channels for the country to stabilize employment and increase employment. According to the Ministry of Human Resources and Social Security's "New Occupational Online Learning Platform Development Report" released in 2021, the talent demand gap for the new occupation "Internet marketer" is about 10 million people, and by 2025, it can reach 40 million people.

5. Problems in the Live E-Commerce Industry

Live e-commerce by virtue of its immediacy, interactivity and fun ushered in rapid development, its in the release of consumer potential, empowering industrial transformation and upgrading and other aspects have achieved certain results, but the rough development will inevitably expose some problems. From the 2020 China Consumers Association research data show that the overall satisfaction of e-commerce live users shopping the whole process is less than 80%. When more and more consumers hold a wait-and-see attitude toward live streaming, the development of the live e-commerce industry will slow down, and may also be trapped in a period of stagnation.

5.1. Live Content Vulgarly, There Is Homogenization

At present, most of the e-commerce live will focus on beauty, clothing, home and food, but in the live to create "good content" at the same time also brought some illegal phenomenon, most of the current live content there is a serious homogenization phenomenon, many video bloggers copy each other, the design of the live interface and live content are very similar. The pop-up function of the live broadcast was originally set to improve the interactivity of the anchor and the user, but because the network has strong invisibility and immediacy, so the pop-up is often dominated by obscene language. The emergence of homogeneous live content makes the competition between major platforms worse. In addition, certain products use vulgarization or exaggerated false propaganda to attract users in order to expand their popularity, which may attract users' attention in a short period of time, but from the perspective of long-term development, this kind of routine performance can easily stimulate the audience's resistive emotions and make them aesthetic fatigue. A large number of dissemination of these vulgar and fragmented information, it is easy to make the contemporary people's outlook on life, values and worldview is affected, so that they gradually lost in the chaos of network information, but also not conducive to the long-term development of live e-commerce.

5.2. Fake and Shoddy Commodities Occur Frequently and After-Sales Service is Poor

With the net celebrities bringing goods and live-streaming goods becoming an important way of online shopping, quality problems and after-sales service problems occur frequently in the process of live-streaming goods by net celebrities. The live e-commerce platform is full of informal merchants, selling high imitation products, low-quality products, and even "three no" products.

Lack of weight, exaggerated propaganda and other issues. Problems related to live network shopping in quality control, after-sales, shipping and other aspects of the problem is only increasing. At present, some e-commerce live anchor in the selection of products, only to the product is good to sell prejudice, product quality is negligent gatekeeper, in order to attract attention, improve sales, and even exaggerate the expression, the use of "extreme advertising words" to guide customers to impulse consumption. Some e-commerce live platform in the selection of products failed to control the quality of products, resulting in consumers to buy products with serious quality problems, coupled with the lack of after-sales service, resulting in consumer rights and interests are infringed. The most obvious difference between "live selling" and offline traditional sales is that offline physical store customers can have intuitive contact and understanding of the appearance, quality and performance of the products they buy, which can minimize the possibility of buying defective products. In the case of online live product sales, consumers cannot really touch the purchased products, but can only understand the products through text, pictures, videos and anchor trials, and consumers always understand the purchased products through the screen. In this regard, the customer's access to information about the quality testing of goods purchased during the live broadcast is much later than offline physical purchases.

At the same time, the after-sales service system is not perfect, and the problem of returns and exchanges cannot be solved. Some merchants in the sale of shoddy products, that is, to take down the product, black out users, anchors delete the number and other techniques to avoid accountability, consumers have no way to defend their rights, resulting in serious damage to their own interests [4]. The existence of these phenomena not only seriously infringes on the legitimate rights and interests of consumers, but also to a certain extent undermines the order of the network market, bringing a great negative impact on the development of enterprises, the maintenance of consumer interests and the sustainable development of the network economy.

5.3. Live Sales Data Falsification, Weak Control Ability

Electric business live as an emerging industry, the development of extremely rapid, the country of the live industry laws and regulations but there is a certain lag, resulting in improper supervision of live platforms, live chaos rampant. At present, e-commerce live supervision is still unable to keep up with the actual development of the need, frequently appear through data falsification to create the illusion of live popularity. Merchants generally through the fan volume, viewing volume and other external data to choose to bring the anchor. Due to the low cost of swiping, the phenomenon of swiping exists within the live e-commerce industry. Some live broadcast platforms cooperate with data maintenance parties, using technology to set up virtual accounts to brush traffic, whitewash the number of fans, the number of views, the number of sales, conversion rates and other data. Such false "prosperity" directly pile up the bubble of the live e-commerce industry, both to the detriment of users, while also potentially damaging the interests of businesses. For example, in the live broadcast of a star for a digital product, only 110,000 of the 3.11 million viewers shown in the live broadcast were actually real data.

5.4. The Quality of Anchors Varies

The industry chain of live broadcasting economy includes: manufacturer - logistics enterprise - live broadcasting enterprise - anchor - logistics enterprise - consumer, covering from upstream manufacturing enterprises to downstream end users. In this industry chain, the live salesman (network anchor) is in the core position. The quality of the web hosts themselves sets the tone of live sales. At present, the quality of the web-hosts themselves vary, and there is a serious polarization of the live broadcast effect. The volume of e-commerce live sales is relatively

concentrated in a few top anchors represented by VIA, Li Jiaqi, etc. The traffic of ordinary small and medium anchors and the head anchors will form a serious "two-eight" differentiation. The threshold for live salesmen is relatively low, after a simple training and qualification can be on the job, so young people have flocked to form a relatively saturated situation. From the actual situation, the live salesman group also has some problems. First, the professional level of some salesmen is not high, especially in the explanation of sales of medical equipment, health care products and other goods related to human health and life safety, and the user requirements are still a large gap. Second, the overall level of quality of practitioners in the field of live is relatively low. Due to the low threshold of entry, a large number of live salesman education level is not high, the quality of good and bad, deception, inducing consumers, especially minors to over-consumption and other acts occur, the impact is bad, the urgent need to introduce relevant policies to regulate. Third, the total number of high-level talents in the field of live economy is obviously insufficient [5]. There are few live salespersons who are familiar with Chinese and foreign laws, regulations and customs, proficient in a foreign language, and familiar with the performance of the products they sell, which to a certain extent affects and restricts the internationalization process of China's live economy.

6. Live E-Commerce Industry Development Suggestions and Countermeasures

6.1. Optimize the Supply Chain of Live Selection and Improve the Quality of Live Products

In the live with goods, the quality of goods, trust in the anchor and price advantage are the most important factors that lead to transactions. Products need the formation of word of mouth, good word of mouth in order to form a virtuous cycle of live economy, fans and sales to grow steadily. Therefore, the anchor in the selection of products, the quality of goods is the focus, good or bad quality not only affects the audience's evaluation of goods, but also affect the anchor's reputation for bringing goods, once given a bad review, the anchor's reputation will decline sharply, and even affect the whole career, so the anchor in the selection of products must be carefully selected, personally experience the use of good results of products to recommend. At the same time, the supply chain is one of the key factors affecting the price, quality and profit margin of goods, and the appropriate product supply chain determines the sales turnover of the live broadcast with goods. Many of the existing live broadcast teams do not have their own products, so the selection of products "rollover" has happened repeatedly. Anchor if you have the support of high-end supply chain, not only can you do the customization of commodity style, to ensure the quality of goods and price advantage, but also to protect the interests of fans, reduce the return rate, to ensure their own income. So deep supply chain, optimize the supply chain, take the combination of outsourcing supply chain + own supply chain model, should be the new breakthrough point sought by each live team [6].

6.2. Improve the Construction of Live E-Commerce Team

Strengthen the cultivation of the quality of anchors, and build a professional cultivation and incubation base for live streaming e-commerce. Merchants should introduce. Personnel training program, training anchors, increasing support for small and medium-sized anchors, and avoiding polarization of anchors. The personal quality of network celebrity anchors directly determines the quality of live broadcasting. A successful anchor has a strong operation team behind it. The live broadcast operation team includes anchors, planners, creatives, promotion and other talents. Anchors with good quality tend to have good personality, personality and stronger professionalism. They are able to fully understand products, brands, product performance and corporate culture, complete marketing goals well, and gain the trust of consumers [7]. Businesses can build

professional cultivation and incubation bases for live streaming e-commerce according to local characteristic resources and products, and form a complete set of live streaming e-commerce ecological chain. Regulate the behavior of the host, through the theoretical explanation, communicate, live platform operation, live demonstration and so on the way of combining training network sales, live with goods and so on to promote the economic development of web celebrity commonly used methods and skills, more opportunities of on-site practice, practice while learning, namely, learn and play, improve the ability to live of the host.

6.3. Strengthen the Supervision of Network Broadcast

E-commerce live streaming should have corresponding rights protection and feedback mechanisms. Strengthen the main body qualification audit of anchors and settled businesses, standardize the management of their trading behavior, and urge businesses to carry cards and show cards to operate; Improve the professional quality of anchors, cultivate their integrity and legal awareness, severely punish false propaganda, and ensure that live broadcast content is true and legal; All merchants need to real-name system, disputes can be tracked to people, through technical means to eliminate the false brush popularity.

Relevant departments should strengthen management efforts, establish corresponding industry consensus and self-discipline convention, and strictly implement them, constantly strengthen the risk prevention of network broadcast, so that all major live broadcast platforms can consciously improve their legal awareness and moral level, and avoid the development of network broadcast in the direction of "beauty economy" [8]. At the same time, the major live platforms should seriously rectify the phenomenon of "pornography, gambling, drugs, guns and violence" and immediately crack down on it. And combining the current situation of the development of the corresponding standard and system of industry, live live from form to content, etc, are to be strictly detection, encourage the positive report users, multilateral efforts to resist the vulgar behavior of webcast, in the purification of network environment at the same time maintain good business atmosphere, enables the network broadcast industry to achieve healthy and sustainable development. In addition, relevant departments should also actively do a good job of public welfare publicity activities of network broadcast, so that the public can correctly view network broadcast, and scientifically apply and participate in network broadcast, vigorously advocate all the people to abide by the convention system of network broadcast, and fundamentally avoid any adverse phenomenon of live broadcast. Only in this way can we better create a green, healthy and orderly network broadcast marketing environment [9].

6.4. Gradually Improve Laws and Regulations Related to Live Broadcast Economy

As the main force of new economy and new business form, live broadcast economy has broad development prospects and huge market space. To formulate and improve relevant laws and regulations of live broadcast economy is very important for accelerating the development of live broadcast economy. First, it can formulate and improve the relevant policies and regulations that encourage capital to help the development of live broadcast economy, accelerate the cultivation of world-class live broadcast enterprises, and lead Chinese enterprises to a broader international market [10]. Second, we should refine and improve the relevant policies and measures to support the development of live broadcast enterprises, and encourage local governments to formulate relevant support policies according to the actual situation and local conditions, so as to fully stimulate the vitality and creativity of enterprises and enhance the employment level. Third, we should strengthen the supervision of live broadcast enterprises and individuals, crack down on illegal and unlawful behavior, and encourage the practice in accordance with the law.

7. Summary

As an emerging economic model in the era of network information, "live economy" is a product of the combination of e-commerce and live webcam, and presents a trendy development trend during the new crown pneumonia epidemic, with a large number of user groups, which has many advantages compared to other marketing models. However, from the current actual situation, there are also certain risks and drawbacks, if you want to achieve high-quality development of the live economy, it is necessary to solve the many risks behind it. In this regard, the relevant departments must pay great attention to the establishment of special regulatory laws and regulations to strengthen the control and supervision of the live broadcast environment, to ensure the orderly conduct of the live broadcast platform; platform companies to actively innovate the form of live broadcast, choose a diverse form of live broadcast; anchor groups licensed to improve their own quality and the quality of live content, to create a green and healthy network environment, and to ensure that the quality of live content is improved. As a new economic mode, in its development process, to dare to taste trial and error, and constantly adjust the innovation, so as to make the healthy development of the live economy of e-commerce, and become a new force to promote economic development.

References

- [1] Fraumeni, B. M. (2001). *E-commerce: Measurement and measurement issues*. *American Economic Review*, 91(2), 318-322.
- [2] Wang Zhihe. *How "Live Streaming + Electricity Business" Can Help Rural Revitalization*. *People's Forum*, 2020 (15): 98-99.
- [3] Huang Chuxin, Wu Mengyao. *Development status, problems and optimization of live banding in China path*. *Media*, 2020 (6): 11-14.
- [4] Jia Wei-Li. *Analysis of Consumer Rights Protection in the Internet-based Environment*. *Legal System and Society*, 2019 (16): 55-56.
- [5] Han Chunshi, Jia Bei. *The practice of direct broadcasting with goods in Hebei and its development exploration*. *Economic Theory Forum*. 2021 (4): 133-143.
- [6] Jia Jingjie. *Problems and Countermeasures of Netflix Live Streaming with Goods Model*. *Young Journalist*, 2020 (21): 2.
- [7] Wang Yunchang, Yang Liu. *The Dilemma and Countermeasures of "Live Broadcast + E-commerce" Marketing Model*. *Modern Marketing (next issue)*, 2018 (06): 58.
- [8] Zhai Xiaoke. *Analysis of E-commerce Model and Marketing Strategy of Live streaming celebrities*. *Modern Marketing (below the ten-day)*, 2017 (8).
- [9] Huang Chuxin, Wu Mengyao. *Development status, existing problems and optimization of live delivery in our country Paths*. *Media*, 2020 (6): 11-14.
- [10] Zhang Nannan. *Research on E-commerce Live Streaming in the form of "Live +"*. *Shanghai: University of Shanghai for Science and Technology*, 2019.